



*Where ideas connect*

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Division of Drinking Water

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**Drinking Water Board**

Dale F. Pierson  
Chairman  
Anne Erickson, Ed.D.  
Vice-Chairman  
Myron Bateman  
Jay W. Franson, P.E.  
Laurie McNeill, Ph.D.  
Nancy Melich  
Dianne R. Nielson, Ph.D.  
Charlie Roberts  
Petra Rust  
Ronald Thompson  
Chris Webb

MINUTES OF THE AUGUST 8, 2003 DRINKING WATER BOARD MEETING HELD IN  
LOGAN, UTAH

Board Members Present

Dale Pierson, Chairman  
Anne Erickson, Vice Chairman  
Laurie McNeill, Ph.D.  
Charlie Roberts  
Petra Rust  
Ronald Thompson  
Chris Webb

Board Members Excused

Myron Bateman  
Jay Franson  
Nancy Melich  
Dianne Nielson, Ph.D.

Staff Present

Mike Georgeson  
Mark Foster  
Bob Lowe  
Rich Peterson  
Ken Wilde  
Linda Matulich

Guests

Jane Anderson, Logan City  
Robert Lavesen, Logan City  
Russ Donoghue, Rural Water Association  
Curtis Ludvigson, Rural Water Association  
Mark Davidson, Sunrise Engineering  
Doug Bjerregaard, Mayor, Town of Mayfield  
Roger Foisy, DEQ  
Bill Young, Logan City  
Lynn Wall, Wall Engineering  
Justin Wall, self  
Dorothy Thompson, self  
Douglas Thompson, Mayor, Logan City  
Chris Morley, Attorney Generals Office  
Jim Caldwell, Hill AFB  
Mark Nielsen, Logan City  
Carlton Christensen, Quality Growth Commission

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Logan, Utah with Chairman Pierson presiding.  
The meeting was called to order at 1:05 p.m.

ITEM 2 – ROLL CALL

Chairman Pierson asked Michael Georgeson to call roll of the Board members. The roll call showed there were 6 members present at the time.

Chairman Pierson thanked Laurie McNeill for the very informative tour and Utah State University for the lunch at the Skyroom.

### ITEM 3 – INTRODUCTIONS

Chairman Pierson welcomed the guests and asked them to introduce themselves.

### ITEM 4 – APPROVAL OF MINUTES

Chairman Pierson stated a motion to approve the June 13, 2003 minutes was in order.

Chairman Pierson mentioned Judy Bane, listed on the guest list, is from Grand County not Grand County WID.

**Charlie Roberts moved the Board approve the June 13, 2003 minutes with the change stated above by Chairman Pierson.**

**Anne Erickson seconded.**

**CARRIED  
(Unanimous)**

### ITEM 5 – STATE SRF/REVOLVING LOAN FUND (SRF)/CONSERVATION COMMITTEE

1) SRF/Conservation Report

2) Status Report

Michael Georgeson reported the Board has available approximately \$3.7 million in the state program; consisting of \$1.4 million in the Security Account, \$1.9 million in the Secondary Account and \$384,870 in the Hardship Grant Account. On the right hand side of the chart is the tax revenue received for fiscal year 2002. Staff received a preliminary report for fiscal year 2003 for an amount is \$1,065,480. This total is subject to revisions as the year-end closeout is made. In fiscal year 2004, staff will be receiving 20.5% of the 1/16% sales tax, which will be around \$3 million.

Mike mentioned staff is on schedule to close Ballard and Scipio, in August. Ballard and Scipio are in the state program.

Mike reported the Board has available \$5.3 million in the federal program; of which nearly \$2.2 million is in second round money and about \$2,680,082 of the fiscal 2002 capitalization grant remains to be committed.

Mike mentioned the Intended Use Plan has to be filed with EPA as part of the grant application for fiscal year 2003.

Manti will be closing soon. Kanosh is scheduled to close in a couple of weeks. Manti and Kanosh are in the federal program.

3) State SRF Applications

a) Koosharem

Koosharem has withdrawn their request.

b) Planning Grant Waivers

Dale Pierson declared a conflict of interest on the voting, and remained in the room for the discussion.

Mike Georgeson reported it has been a policy of the Board to provide grants for planning purposes to communities. The attorneys told staff the Board could not provide grants for planning purposes. The problem required a legislative fix, which has been done, and the Board can now provide grants for planning purposes. The Board recently revised the rules, to provide the grants and the rule became final on July 1, 2003. The grants are listed in the packet for a total of \$242,750, and are now loans.

Chris Webb joined the meeting. Chris declared a conflict of interest on the voting process, and remained in the room for the remainder of the discussion.

Discussion followed.

**Laurie McNeill moved the Board authorize the SRF/Conservation Committee's recommendation to adopt a resolution stating that the repayment obligation for each planning loan listed in the table is hereby waived in the amount of \$242,750.**

**Petra Rust seconded.**

**CARRIED**

**Dale Pierson and Chris Webb abstained. Five voted yes.**

c) **NEW** – Mayfield

Ken Wilde reported Mayfield's loan was approved a couple of years ago and they received an operating permit three months ago to start their new well. Mayfield lost production of the well due to a lot of corrosion. Ken gave some background information on the well and the problems they have had with the well recently. Mayfield is looking at possibly drilling a new well or other options. The rules define an emergency as any unexpected serious occurrence of a situation that requires an urgent or immediate action. With regard to a water system, this would be a situation resulting from the failure of equipment, other infrastructure, or contamination of the water supply, which threatens the health, and/or safety of the public water users.

**Dale Pierson moved the Board identify the Town of Mayfield's circumstances as an emergency.**

**Laurie McNeill seconded.**

**CARRIED  
(Unanimous)**

Ken Wilde reported the well couldn't be used on a long-term basis due to the aggressive nature of the water; therefore, in order to find a permanent solution staff believes a corrosion expert needs to evaluate the situation and recommend a course of action. Mayfield may have to hire a hydrogeologist to help them find a site for a new well. It may cost \$10,000 to \$15,000 for these consulting services. Because Mayfield has invested all available money on this new well, staff recommends that under the Rule's emergency provisions the Board loan Mayfield \$25,000 with 100% principle forgiveness. When financing is considered for the permanent solution, then staff can evaluate Mayfield's financial situation and identify a best long-term solution.

Discussion followed.

Lynn Wall, Wall Engineering for Mayfield Town, addressed the Board.

Doug Bjerregaard, Mayor for Mayfield Town, addressed the Board.

**Dale Pierson moved the Board authorize a \$25,000 loan for 1 year at 0% with 100% principal forgiveness, with the stipulation that when the engineering is completed for Mayfield, Mayfield return to the Board for funding a replacement well and with the understanding that funding will be determined by the Board's rules, taking into account that the Board has given the Town of Mayfield the grant already, and that there will probably be a loan based on the median adjusted gross income criteria the Board has for those standards.**

Discussion followed.

**Petra Rust seconded.**

**CARRIED**

Chris Webb opposed. Six voted yes.

d) **NEW** – Scipio

Scipio has withdrawn their request.

### 3) Federal SRF Applications

#### a) Kanosh

Mark Foster passed out some additional information. Mark reported at the September 2002 Board meeting, the Board authorized a loan with the conditions as stated in the hand out. The project was bid on May 2003. The cost of the project was significantly higher than what was originally estimated. The Town of Kanosh chose to reject all bids and wait until the prices stabilized. The Town of Kanosh was aware the prices were going to be higher than they anticipated. The purpose of this request is for a loan increase. The SRF Conservation Committee understood that the loan increase would be \$95,000. The engineer for Kanosh notified Mark that the bid has been received and the bid was lower than they expected. Staff is asking the Board to grant an increase of \$55,000 for Kanosh's loan with the same conditions as the previously authorized loan. The Town of Kanosh's contribution will remain at \$20,000.

Lynn Wall, Wall Engineering, representing the Town of Kanosh, addressed the Board.

Discussion followed.

**Ron Thompson moved the Board authorize the SRF/Conservation Committee's recommendation to approve the loan increase of \$55,000 for a total amount of \$380,000 with \$76,000 principal forgiveness at 1.44% for 20 years on the amount repayable of \$304,000.**

**Charlie Roberts seconded.**

**CARRIED  
(Unanimous)**

#### b) Logan

Ken Wilde distributed an update on Logan's funding request. Ken mentioned the proposal is for a \$9.6 million plan for improvements. The SRF Conservation Committee recommended the Board authorize a \$4,000,000 loan with 10% or \$400,000 principal forgiveness on a 20-year loan with the interest rate having two options depending on whether or not Logan came up with a 20% match for the project. Ken informed Logan City of the SRF Conservation Committee's recommendation that because the water storage tank is a critical part of this project, the tank will have to be built with this loan, but Logan City needs to do some waterline work prior to building the water storage tank. In order to build the tank now, Logan made some cuts on their project, but needs a \$1,000,000 increase on their loan for a total of \$5,000,000. Logan City will provide \$1,000,000, of their own money, toward the project and build two miles of waterline in the spring. The three old tanks will be demolished and a new 6,000,000 tank built on the same site in the fall. Logan City has an annual debt obligation of approximately \$650,000 for two more years. Ken reviewed some of the options the Board and Logan City could do. Since the Board charges an additional 0.05% interest per year for terms exceeding 5 years, the loan could be scaled back appropriately.

Bill Young, Jane Anderson, Robert Lavesen, Mark Nielsen, Dorothy Thompson, and Mayor Doug Thompson, representing Logan City, were present for any questions of the Board.

Bill Young, city engineer, addressed the Board.

Mayor Thompson addressed the Board and thanked the Board for their consideration in Logan City's request.

Discussion followed.

**Chris Webb moved the Board authorize Logan City a \$5,000,000 loan with principal forgiveness of \$400,000 at a rate of 3.25% for 20 years or a 2.75% if Logan City reduces the repayment term at their option.**

**Charlie Roberts seconded.**

**Chris Webb made a substitute motion that the Board authorizes Logan City a \$5,000,000 loan with principal forgiveness of \$400,000 and the interest rate tied to Logan's match. If Logan City provides a 20% match, and if the interest rate would be 2.75% Logan City doesn't provide the 20% match, the interest rate would be 3.25%. Logan City be allowed to make reduced principal payments for the first two years. The amounts would be worked out with Division of Drinking Water (DDW) staff to come up with an acceptable schedule and that the debt coverage is not less than 1.25%. Logan City also is allowed to reduce the term of the loan to less than 20 years and receive a commensurate reduction of its interest rate at a rate of 0.05% per year that it is reduced from the 20-year term.**

Discussion on motion.

**Charlie Roberts seconded the substituted motion.**

**CARRIED  
(Unanimous)**

**4) SRF Grant Application and Intended Use Plan (IUP) For Federal Fiscal Year 2003**

Anne Erickson reported \$6,473,444 has been added to the 2003 loan fund program and \$1,530,656 has been allocated to the 2003 set-aside program. The money from the sales tax allocated to the Drinking Water loan program provides the Board with a 20% match that is mandated by the federal government. The Board is required to have an Intended Use Plan (IUP), which identifies how the state will distribute the grant money. The detail of this program provides how it is intended to be spent and what the definitions of the various categories are.

Ken Wilde updated the Board on the IUP. Ken reported there are four categories of set-asides the Board can use; the Administrative Set-Asides program; the 2% Technical Assistance program; and two other set-asides that are used for other programs. The federal government requires this program. It takes 2 to 3 months to approve the IUP.

Discussion followed.

**Dale Pierson moved the Board approve the SRF Application Intended Use Plan for submittal to EPA Region VIII.**

**Chris Webb seconded.**

**CARRIED  
(Unanimous)**

**ITEM 6 – QUALITY GROWTH COMMUNITIES SUBCOMMITTEE REPORT –**  
**Mark Bedel (Governor’s Office of Planning & Budget, and State & Local**  
**Planning Manager), and**  
**Carlton Christensen (Salt Lake City Council)**

Carlton Christensen, Salt Lake City Council, addressed the Board.

Carlton Christensen had some handouts for the Board and went over the handouts. Mr. Christensen represents local municipal government on the Quality Growth Commission. The Legislature created the Commission in 1999. The Commission consists of 13 members from: farmers, real estate, developers, city, county and state officials, and citizens at-large. The Commission promotes quality growth in the State of Utah.

Mr. Christensen talked about the vision and intent of the program. Mr. Christensen went over some areas that the Drinking Water Board could help the Commission with. Mr. Christensen said if the Board has any questions, comments or concerns about the Commission and the program, feel free to contact Dan Lofgren, John Bennett or Mark Bedel, who would be happy to answer any questions.

Discussion followed.

Chairman Pierson suggested discussing this at an upcoming work meeting.

Mr. Christensen will follow up with the Board on the Commission’s activities.

## ITEM 7 – PROPOSED CHANGES TO THE DRINKING WATER SOURCE PROTECTION FOR GROUND-WATER SOURCES RULE

Bob Lowe reported the State of Utah now requires anyone practicing geology in the State of Utah must be licensed as a Professional Geologist. In checking with the Attorney Generals Office, staff found out that to be able to enforce this in the Division, staff has to have it written in the rule. Staff will require anyone submitting geology work, to stamp the paperwork and sign it as a licensed professional geologist or engineer. Staff wants to come on line with the changes that have been made at the state level. Staff wants to make a few additional changes in the rule. Staff found out they didn't have to be as stringent and would like to meet EPA's requirements. Staff would like to renew waivers every 6 years when the source protection plans are reviewed. The Attorney Generals Office reviewed the suggested changes. One change in the rule is where it refers to the Division of Drinking Water as having the authority; staff needs to replace the Division of Drinking Water with the Executive Secretary. The other changes are clarification changes.

Discussion followed.

**Ron Thompson moved the Board direct staff to proceed with revising the Drinking Water Source Protection Rule through the administrative rulemaking procedures and to incorporate the changes in the draft rule.**

**Anne Erickson seconded.**

**CARRIED  
(Unanimous)**

## ITEM 8 – CHAIRMAN'S REPORT

Chairman Pierson reported Ron Thompson is on the Gubernatorial Legislative Task Force on Water Development Funding. The Task Force presented their draft report to the Water Development Commission last month. It would be a good idea for the Board members to receive a copy of the report so they could make comments to the report prior to the adoption of the report.

Chairman Pierson mentioned there was an article in the Deseret News talking about the number of communities that do not have a conservation plan, of which Ogden and Provo are included. The way the law is written the community is not required to have a conservation plan, but just simply a recommendation. The Board may get questioned on that and may hear more about it. The Board should look at the issue and see if there are any additional things the Board should be doing on the conservation plans with the communities.

Discussion followed.



ITEM 9 – NEWS ARTICLES

The news articles are in the packet.

ITEM 10 – LETTERS

The letters are in the packet.

ITEM 11 – UPDATE

The update is in the packet.

ITEM 12 – NEXT BOARD MEETING

The next Board meeting will be held on September 12, 2003 in Draper, Utah.

ITEM 13 – OTHER

No other business.

ITEM 14 – ADJOURN

Chairman Pierson stated a motion to adjourn the Board meeting would be in order.

**Chris Webb moved to adjourn the Board meeting at 3:10 p.m.**

**Charlie Roberts seconded.**

**CARRIED  
(Unanimous)**

Linda Matulich  
Recording Secretary